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REVIEWS AND NEW BOOKS

General Works, Theory and Its History

Our Economic Organization. By LEON C. MARSHALL and LEVERETT S. LYON. (New York: The Macmillan Company. 1921. Pp. x, 503. \$1.88.)

The main purpose of this new book in the field of elementary economics is to present in systematic fashion the structure of economic society under the spur of competition. The treatment is necessarily brief on account of the large number of topics to be covered, and also on account of the requirements of an elementary text book. The approach is functional. The authors frankly say in their preface the purpose is to present economic organization in its functional aspect, to show in some detail not so much what the organization is as how it operates. "The distinguishing feature of the volume is the effort to depict social structures in terms of what they do. The functions, the uses, the work, of banks, of business organization, of government, of education, and of other multitudinous agencies which together make up our want gratifying machine, are the matters with which the book is concerned."

Our economic organization is compared to a machine with parts, articulation of parts, motive power, and control or guidance. No one claims that the machine at all times or perhaps at any time works perfectly. There are still many defects. Some parts are not well adapted to their uses; parts rattle, jam and squeak; too much or perchance at times too little motive power is applied; and at times (business depressions) the whole machine seems to break down. Despite the defects, however, the machine functions and is surprisingly well adapted to its purpose of producing goods in quantity, of producing them at right times, and of getting them into the hands of consumers with some accuracy and comparatively little difficulty. The real test of any good machine is that it be designed for its purpose and that it accomplish that purpose at as low a cost as possible under the conditions which prevail at the time. Our economic machine appears to fulfill these conditions. On this point, indeed, many earnest students of economics honestly doubt the truth of the above statement. They see glaring faults of economy and justice, and take decided exception to the proposition that the present economic organization is adapted to its purpose. Possibly in the past, it is said, but certainly not today.

The book at the outset rather assumes human wants and the goods to gratify those wants. Its interest lies in the field of processes. The aim is to start the student in elementary economics with a study of our want gratifying machine, to show him how this machine has come

to be, and how it serves its purpose in apportioning our social resources, viz: labor power, capital, acquired knowledge and natural resources to the production and sale of goods. Although this approach to economics is somewhat new and rather unorthodox, nevertheless there is much to be said in its favor. It serves at the outset to develop an interest in economics in the mind of the student, a thing much to be desired. Again it introduces the student to something with which he is a bit familiar, instead of very early in the course dropping him down into the midst of an elusive exposition of marginal utility and marginal cost. In describing for the student our present system of economic organization it better prepares him to grasp the difficulties of terminology and theory on which the organization is based. There is no attempt to expound principles. All that is left to be taken up at a later point in the course. Those who have taught elementary economics will appreciate the difficulty of interesting and holding the students when they are plunged at the outset into the midst of the complexities of utility, value, and prices. This book goes far to solve that most difficult problem of arousing student interest in the course. It is eminently practical, readable, suggestive, and as such merits consideration.

The topics discussed in the book are in the main those of Professor Marshall's more pretentious work *Readings in Industrial Society*. The first two chapters on human wants and social resources aim to show the reasons for any form of economic organization. Then follow six chapters on English industrial history which, as the authors state, "are not 'historical' in any orthodox sense of the term. They are a somewhat more extended view of the problem at issue." The remainder of the book is taken up with a functionalized description of the economic organization of the United States. There are four chapters on specialization, two on machine industry, three on business organization, three on the province of the enterpriser, two each on money and financial organization and the utilization of natural and human resources, and one on planning, guiding, and controlling.

It is clear that what should be included, what should be excluded, where the emphasis should be placed is largely a matter of choice, and is somewhat dependent upon the purpose the authors have in mind. Not all topics which quite fall within the scope of the book can be equally well treated, especially if the work is elementary in character. It may be a source of disappointment to certain readers that the authors have done little more than to suggest or imply at some points in their discussion the motive forces of organization. We find comparatively little on gain-seeking, prices, competition, property, contract, and the necessities for interdependence.

The book does not pretend to cover the entire field of economics. It

is designed merely as an introductory text and can well be combined with some one of the standard works on the *Principles of Economics*. As a stimulating, attractive, readable book it is a great success. The authors should be complimented on making available this material on economic organization in such a clear and teachable form. The practical questions at the end of each chapter are helpful and suggestive, and add a good deal to the teachable qualities of the book.

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NEW BOOKS

ANSIAUX, M. *Traité d'économie politique*. Vol. I. *L'organisation économique*. (Paris: Giard. 1920. Pp. 390. 20 fr.)

A study of the existing industrial organization as a basis for a future discussion of markets, prices and incomes is the purpose of this volume. Illustrative material is drawn from Belgium, Great Britain, Germany and the United States in addition to France. The dominant characteristic of modern industry is found to be the steady advance of concentration. The study of this movement, its advantages, limitations and enactments for its regulation or repression, fills the major portion of the book. There is preliminary discussion of wants, goods and services, of division of labor, of natural resources, capital and similarly familiar matters in the first seven chapters.

Following chapters are devoted to a discussion of competition and monopoly, of the movement toward concentration and its various forms. The final chapters cover: home industries; agriculture; marketing; railroads; and banking and financial institutions, always from the viewpoint of the greater or less degree of concentration and the elimination or the persistence of the small establishment. The book thus presents a painstaking and wide ranging examination of facts and a discussion, usually in terms familiar enough, of the principles which they illustrate. The author's interest, however, lies not in the description of modern industrial conditions but their study and analysis as a basis for his theoretical writings.

C. E. PERSONS.

CARVER, T. N. *Principles of national economy*. (Boston: Ginn & Co. 1921. Pp. 773. \$3.00.)

CHAPMAN, S. J. *Outlines of political economy*. (New York: Longmans. 1921. Pp. xvi, 463. \$2.25.)

COSTANTINI, E. *Economia politica*. Third edition. (Milan: Vallardi. 1921. 6.50 l.)

DIEHL and MOMBERT. *Ausgewählte Lesestücke zum Studium der politischen Oekonomie*. Second edition. (Karlsruhe: Braun. 1920. 12 M.)

FAIRCHILD, H. P., editor. *Social science*. (Philadelphia: American Educational Institute, Inc. 1921. Pp. xix, 487.)

HUGHES, R. O. *Economic civics*. (Boston: Allyn & Bacon. 1921. Pp. xv, 331. \$1.25.)